

CHAPTER 751.

(Senate Bill 19)

AN ACT to repeal and re-enact, with amendments, Section 15 of Article 58A of the Annotated Code of Maryland (1939 Edition), title "Loans—Petty", relating to the interest which may be charged on small loans and eliminating the provision authorizing the licensee to charge certain fees in connection with said loans.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 15 of Article 58A of the Annotated Code of Maryland (1939 Edition), title "Loans—Petty", be and it is hereby repealed and re-enacted, with amendments, to read as follows:

15. Every person, co-partnership and corporation licensed hereunder may loan any sum of money, goods or things in action, not exceeding in amount or value the sum of three hundred dollars (\$300.00) and may charge, contract for and receive thereon interest at a rate not to exceed three (3) per centum per month.

(a) Interest shall not be payable in advance or compounded and shall be computed on unpaid balances. In the computation of interest, a day shall be considered one-thirtieth ($1/30$) of a month. In refinancing a loan in due course of business, the deduction of not more than one month's interest shall not be considered as compounding of interest. In addition to the interest herein provided for, no further or other charge, or amount whatsoever for any examination, service, brokerage, commission or other thing, or otherwise, shall be directly or indirectly charged, contracted for or received.

(b) If interest, or charges in excess of those permitted by this Article shall be charged, contracted for, or received, the contract of loan shall be void and the licensee shall have no right to collect, or receive any principal, interest or charges whatsoever.

(c) No licensee shall, directly or indirectly, charge, contract for or receive any interest or consideration greater than six per centum per annum upon the loan, use or forbearance of money, goods or things in action, or upon the loan, use or sale of credit, of the amount or value of more than three hundred (\$300.00) dollars. The foregoing prohibition shall also apply to any licensee who permits any person, as borrower, or as endorser, guarantor or surety for any borrower, or otherwise, to owe, directly or contingently or both, to the licensee at any